FORM NO. 51—4AA FEB 1952 CENTRAPMENDENTIANE SECRET/CONTROL - U.S. OFFICIALS ONLY CLASSIFICATION SECURITY INFORMATION 25X1 IFORMATION REPORT REPORT NO. CD NO. 25X1 DATE DISTR. 14 April 1952 COUNTRY Hungary NO. OF PAGES Operation of Fürfa, State-owned Distributing SUBJECT Agency for Wood NO OF ENCLS. (LISTED BELOW) 25X1 SUPPLEMENT TO REPORT NO. THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES, WITHIN THE MEANING OF TITLE 18, SECTIONS 793 THIS IS UNEVALUATED INFORMATION AND 794, OF THE U.S. CODE, AS AMENDED. ITS TRANSMISSION OR REVE-ATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED PERSON I THE REPRODUCTION OF THIS FORM IS PROHIBITED PROHIBITED BY LAW.

- The Furfa State Enterprise for the Distribution of Wood is a branch office 25X1 of the Central Office for Wood Supply and is located at Rajcsy-Zeilinszky ut 18, Budapest. The purpose of Furfa is to supply Hungarian heavy and light industries. State enterprises are supplied through their ministries, while private persons can obtain timber only in exceptional cases. Fürfa supplies all enterprises belonging to the Ministries of Defense, Heavy Industry, Light Industry, Mines and Power, and Agriculture, which includes state farms as well as the "T.S.Cs." (Tervgazdasagi Szövetkezeti Csoport), Cooperative Societies for Planned Economy. Fürfa supplies Budapest and vicinity, the district between Danube and Tisza, and Eastern Hungary beyond the Tisza. Fürfa distributes the entire production of the local saw-mills as well as all imported timber. Every three months the company is notified by the Supreme Planning Commission of the quantity of local and imported materials available. At the same time the Supreme Planning Commission informs the ministries of the quantity and type of materials that would be distributed to them. Furfa receives lists of all factories needing materials, and concludes delivery contracts with them which cover three-month periods.
 - 2. Lignimpex, the company through which imports are effected, is located Nador utca Budapest. In 1951 Lignimpex imported a total of 220,000 cubic meters of timber, comprising 25,000 cubic meters of foliaceous timber, and 195,000 cubic meters of conferous timber. Timber is imported from Czecho; slovakia, Poland, Rumania, and Bulgaria according to barter agreements initiated by the USSR.
 - 3. Local materials are supplied by 8 saw-mills. There are 3 in Budapest-Ujpest, 2 in Szolnok, 1 in Tiszakerecske, 1 in Miskolc, and 1 in Baja. These saw-mills supply about 120,000 cubic meters annually including beesh, bak, ash, elm, and various white woods, including maple and white beech.

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- 4. Large enterprises receive their supply directly from the importer (Lignimpex) or from local producers. Fürfa merely directs and coordinates such supplies. Smaller enterprises are supplied from the Fürfa stores maintained in various places for imported materials as well as local timber.
- 5. Timber is sorted at the depot according to quality. In 1951 the Soviet system of grading was introduced in Hungary. The Soviet timber types are known as Gost I, II, and III for both coniferous and other woods.
- 6. The former Danubia, now Small Arms Factory at Soroksari ut, Budapest, produces automatic pistols of the Soviet type. For the butts it received at ifirst nut and later beech and elm wood. (The timber supplied has to be either 70 cm. in length or twice or three times longer.) To overcome supply difficulties white beech wood has been tried lately. The former Lampart, now Small Arms Factory at Soroksari ut, Budapest, produces army rifles of the Mannlicher and B.Z. types with wood-covered barrels(sic). In 1950 both factories together used 600 cubic meters of timber and in 1951 they used 4,500 cubic meters. For lack of pieces of the required dimensions, not all of that quantity could be assembled.
- 7. The Railroad Freight-Car Factory at Györ receives ash, white beech, red beech, and pine in various dimensions.

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- 8. The State Enterprise for Sports Equipment at Ksztergom builds airplanes, for which the best quality of ash is needed.
- 9. The State Repair Depot for Army Transport Vehicles repairs army transport vehicles and receives oak, ash, and beech of all dimensions.
- 10. Stefan Riedl was General Manager of Furfa. He was 45, and formerly had been a carpenter.

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